

**GOVERNMENT OF INDIA
MINES AND MINERALS
LOK SABHA**

STARRED QUESTION NO:562

ANSWERED ON:05.05.2000

ROYALTY ON MINERALS

GADDE RAMAMOCHAN;GORDHANBHAI JAVIA

Will the Minister of MINES AND MINERALS be pleased to state:

- (a) whether the rates of royalty on minerals, which are the main source of income of State Governments, are being fixed by the Union Government;
- (b) if so, the justification thereof ;
- (c) whether representations have also been received in this regard from the State Governments;
- (d) if so, the details thereof and the action taken thereon;
- (e) whether royalty rates of some minerals which were due for revision have also not been revised; and
- (f) if so, the details of such minerals and the reasons for delay in this regard?

Answer

THE MINISTER OF MINES AND MINERALS

(SHRI P. R. KUMARAMANGALAM)

(a)to (f) A statement is laid on the Table of the House.

Statement referred to in reply to the Lok Sabha Starred Question No.562for answer on 5.5.2000 asked by Shri G.J. Javiya and Shri Ram Mohan Gadde regarding royalty on minerals.

Under the provisions of Section 9(3) of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act), the Central Government may amend the Second Schedule to the Act so as to enhance or reduce the rate at which royalty shall be payable in respect of major minerals (minerals other than minor minerals defined under Section 3(e) of the MMDR Act)with effect from such date, as may be specified in the notification, provided that Central Government shall not enhance the rates of royalty in respect of any minerals more than once during any period of three years. Royalty on minerals is one of the important sources of revenue for the State Governments. The State Governments approach the Central Government from time to time for revising the rates of royalty on minerals. While revising the rates of royalty on minerals as per provisions of the MMDR Act, 1957, inter-alia, the suggestions of the State Governments are considered by the Government.

The provisions of Section 9(3) of the MMDR Act do not stipulate any specific periodicity for carrying out revision of royalty rates. The rates of royalty for major minerals (other than coal, lignite and sand for stowing) were revised by the Government in 1997. The rates of royalty for Coal and lignite were revised in 1994 and 1990 respectively.